

## **OPENING REMARKS**

**MAXINE WATERS D-CA (35<sup>Th</sup>)**

### **SUBCOMMITTEE ON DOMESTIC AND INTERNATIONAL MONETARY POLICY, TRADE AND TECHNOLOGY**

**“The Role of Remittances in Levering Sustainable  
Development in Latin America and the Caribbean”**

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Good afternoon ladies and gentlemen. I want to thank Chairman Gutierrez and Ranking Member Ron Paul for holding today’s hearing on “The Role of Remittances in Leveraging Sustainable Development in Latin America and the Caribbean.”

Remittances reflect the globalization and movement of people across borders. No where has this been truer than in the U.S., as remittances from here have become the lifeblood of many communities in Latin America and the Caribbean (LAC). Remittances from the LAC reached the staggering level of \$53.6 billion in 2005, and according to one report the LAC is the largest remittance market in the world.

Mexico is the largest recipient of remittances, with over \$40 billion, or nearly 80 percent of the total. Brazil and Columbia are the next two recipients of remittances with \$6 billion and \$4 billion a piece. Central America and the Dominican Republic have remittance in excess of \$11 billion, and the Andean nations totaled approximately \$9billion.

Currently, it is estimated that more than 25 million LAC born adults are living outside of their own countries. It is estimated that 65 percent of these persons send money to their countries of origin on a regular basis. This translates into \$100-300 per month, or anywhere from \$1200 to \$3600 annually; it requires 200 million financial transactions each year to remit the funds.

Nearly \$10 billion or \$1,787 for each of the 5,378,555 million Latin American adult immigrants in California was sent abroad. Nearly two-thirds, or 64 percent of immigrants reported that they send money regularly, or at least 12 times a year. The average remittance from CA to Latin America is \$235 for each transaction.

As this hearing will demonstrate, there is growing debate about remittances. I believe, however, that there is consensus that remittances do not represent a

comprehensive development strategy for Latin America or the Caribbean. Remittances can play a role in the leveraging equation, spurring savings and investment in the LAC. As we examine the issue of remittances, I would like to consider the issue within the larger context of what we must do to make it attractive for persons to live, work and invest in their country of origin. This is not an easy issue, and the answer lies in real alternatives at home for people rather than abroad.

As such, I am very interested in the testimony of today's witnesses. I hope it will shed light on how we can use remittances to assist in the development process. Thank you.